



Department of Ecology

2005-07 Operating Budget

The final 2005-07 operating budget for Ecology is premised on a sustained commitment to the state's identified environmental priorities, while also meeting emerging needs. Emerging needs include responding to the statewide drought, and implementing recommendations of the Early Action Oil Spill Task Force.

The following narrative describes each budget item in more detail in the context of three broad areas of emphasis for the 2005-07 budget: Providing Water for Local Communities, Preventing Wastes and Spills, and Reducing Health Risk and Getting Toxic Chemicals Out of the Environment. Each budget item represents a change to the Maintenance Level (Base) budget.

Providing Water for Local Communities and Healthy Watersheds

Public demands for clean water, flowing streams, and reliable water supplies have never been greater. These demands are underscored by the lessons of the 2001 drought; the large-scale water quality problems in Hood Canal, Puget Sound, and the Columbia and Spokane Rivers; the widespread need for reliable water supplies to meet the needs of local communities struggling to respond to a growing population; and the number of streams that do not have adequate flows in the stream for fish. Ecology has supported watershed planning for six years, several plans have been approved, and many are scheduled for completion in the next few years. Ecology has been and will remain organized to deliver its water program services at the watershed scale, consistent with recommendations coming out of local plans.

Ensuring Adequate Water Supply

1. Responding to the Statewide Drought Emergency ~ \$725,000 from the State Emergency Water Projects Revolving Account and 3.5 FTEs ~ On March 10, 2005, Governor Gregoire declared a statewide drought emergency due to record low snow pack, record high temperatures and, record low stream flows throughout the state. Operating funds will be used by Ecology to provide technical assistance to entities having problems with water supplies and to process emergency water rights. This includes changes and transfers of water rights and drilling emergency wells.

2. Columbia River Initiative ~ \$200,000 from the State General Fund and 1 FTE ~ This initiative is the first step in a new program to secure water to promote economic growth and community development goals, while also improving the river ecosystem now and in the future. Initial actions to develop new multipurpose water storage projects are launched, and water is acquired through conservation projects, modified system operations, and outright purchase from willing sellers. See the [Capital Budget Fact Sheet](#) to read more details about the \$16 million in state bonds invested for the initial implementation of recent and planned intergovernmental water agreements.

3. Statewide Streamflow Gauging ~ \$454,000 from the State General Fund, \$592,000 from the Water Quality Account and 3 FTEs, offset by a decrease of \$722,000 from the Drought Preparedness Account ~ This money will be used to provide critical data in the agency's work to achieve, restore, and protect water supplies for people, fish, and farms, and support local watershed planning efforts. A combination of one-time fund sources that primarily fund Ecology's stream gauging network (over 90 continuous, near-real-time streamflow gauges and over 30 manual staff gauges in 11 salmon critical watersheds) are expiring. The new funding provided will replace the expiring fund sources to continue the generation of streamflow data that support a full range of water management activities necessary for local and regional decision making.

4. Enhance Well Construction Program ~ \$661,000 from the Reclamation Account and 2 FTEs, offset by a decrease of \$300,00 from the State General Fund ~ Senate Bill 5831 passed by the Legislature increases fees

and ensures that wells are properly drilled. The additional revenue is appropriated in the budget in order to increase support to local governments that perform well construction inspections; delegate inspections to additional counties; increase inspection rates on new wells; and improve and maintain well construction data systems.

5. Water Right Mediation ~ \$176,000 from the State General Fund~ At the request of the Lummi Nation, the federal government has filed for a declaration of the Lummi's water rights in federal court. Efforts are being made to seek a mediated settlement of the water right. One-time funding of \$200,000 was provided for mediation efforts during the 03-05 biennium. Since negotiations began slower than anticipated, only \$24,000 will be expended. To finish the mediation, one-time funding of \$176,000 is carried over into the 05-07 budget to continue the effort to reach an out-of-court settlement.

Maintaining Water Quality

6. Municipal Stormwater Permits ~ \$1.27 million from the Water Quality Permit Fee Account and 7.5 FTEs ~ Ecology is getting ready to implement Phase II regulations of the federal Clean Water Act, which require the agency to issue stormwater permits to over 100 municipalities. Ecology will use the appropriation from the Water Quality Permit Fee Account to hire staff and support these smaller jurisdictions with implementing the permit requirements through technical assistance, education and outreach, and compliance oversight. New revenue from permit fees will fully cover this appropriation.

7. Water Quality Certifications ~ \$300,000 from the State General Fund and 1.5 FTEs ~ In one of four regional offices, Ecology initiated a "90-90-10" pilot for improving permit processing accountability and timelines for 401 water quality certifications. This money will be used to expand the pilot project in efforts to achieve 90% of routine certifications occurring within 90 days of application, and acknowledge receipt of the application being sent within 10 days.

8. Aquatic Invasive Species ~ \$509,000 from The Freshwater Aquatic Algae Control Account ~ Engrossed Substitute Senate Bill 5699 creates a new dedicated account, from which monies are appropriated to the Department of Ecology to develop a Freshwater Aquatic Algae Control Program. Monies may be used for grants to cities, counties, tribes, special purpose districts, and state agencies to manage excessive freshwater algae. Grant funding must be prioritized for the treatment of lakes in which harmful algal bloom have occurred within the past three years. Monies may also be used to provide technical assistance to applicants and the public aquatic algae control.

9. Ocean Policy Commission Review ~ \$100,000 from the State General Fund and 1.6 FTEs ~ Funding is provided to support the review of ocean policy issues. Ecology, in coordination with the Governor's Office and other agencies, will provide a report by December 2006. The report will include a summary of the condition of Washington's ocean resources and recommend improvements in coordination between state agencies and other jurisdictions; measures to protect and manage ocean resources; and financing mechanisms for ocean protection and management programs.

10. Shoreline Planning Grants ~ \$2.5 million from the State General Fund ~ To meet a legislatively directed schedule for updating local Shoreline Master Programs, an additional \$2 million is provided in grant funding for cities and counties. Also, \$500,000 will allow grants that were encumbered in the 03-05 biennium but not fully expended to be completed in the new biennium.

11. US vs. Washington (Culverts) Lawsuits ~ \$47,000 from the State General Fund ~ One-time funding is provided for Assistant Attorney General staff support in this case. The court has framed the issue as whether or not the state is "affirmatively diminishing the number of fish available to harvest by building and managing its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes usual and accustomed fishing ground." Ecology is one of five agencies involved in this case.

12. Wetland Banking Pilot Rule ~ \$395,000 from the State General Fund and 2 FTEs ~ Wetland banking is a method that allows wetlands to be restored, enhanced, and preserved to offset impacts from land development. Currently, work is being done on a pilot basis to 1) test the draft wetland banking rule; 2) certify existing banks;

and 3) determine what it will cost the state to implement a wetland banking program. Funding is provided to complete the pilot so that wetland banking can be fully implemented and evaluated as directed by the 2004 Legislature.

Preventing Wastes and Spills

Even though Washington State is a national leader in recycling and waste management, waste generation in Washington is on the rise. More waste means higher costs – higher costs to protect human health and the environment, higher costs to state and local budgets, and even higher costs to business' bottom line.

Until now, Washington waste management programs have focused on regulating the waste stream and cleaning up waste sites. A plan developed in collaboration between local governments and other stakeholders has combined the state's hazardous waste and solid waste plans into a single plan. This "Beyond Waste" plan will reduce the generation of waste by steering Washington toward greater prevention of waste and pollution. The budget increases funding in support of these efforts to prevent wastes from being created in the first place.

13. Beyond Waste-Implementing the State Waste Prevention Plan ~ \$3.18 million from the Waste Reduction/Recycling/Litter Control Account, State Toxics Control Account, and the Hazardous Waste Assistance Account and 8.2 FTEs ~ The "Beyond Waste" plan (referred to as "Never Waste" in the Capital Budget) will focus on reducing the amount of toxic chemicals generated and used; utilizing more efficient and effective building materials; improving management of organic and construction wastes; and partnering with businesses and industries to both lower operating costs for business and reduce the use, generation, and disposal of toxics materials.

14. Oil Spill Early Action & Prevention ~ \$1.63 million from the Oil Spill Prevention Account and 4 FTEs ~ In response to the October 14, 2004 Dalco Passage Puget Sound oil spill, Governor Locke created the Oil Spill Early Action Task Force to explore possible improvements to prepare for and respond to oil spills. This money will be used to implement recommendations from the Early Action Task Force. Recommendations include updating Geographic Response Plans within three years; expanded use of remote sensing data and equipment; improving spill reporting mechanisms; and providing more opportunities for public participation in spill reporting, preparedness, and response.

Reducing Health Risk by Getting Toxic Chemicals Out of the Environment

Additional investments are possible in the 2005-07 biennium because of higher oil prices. Higher oil prices mean additional revenues into the Model Toxics Control Accounts that can be spent on ongoing and one-time needs.

15. Reduce PBTs in the Environment ~ \$1.4 million from the State Toxics Control Account (STCA) and 5 FTEs ~ Most sources of funding for implementing Ecology's strategy to reduce persistent bioaccumulative toxins (PBTs) in the environment expire at the end of the 03-05 biennium. Additional money from the STCA will allow Ecology to continue implementation of this important strategy, which includes carrying out a proposed Polybrominated Diphenyl Ethers (PBDE) chemical action plan, and monitoring for mercury in fish.

16. Clean Up Toxic Sites ~ \$9 million from the State Toxics Control Account ~ With oil prices at record highs, \$9 million from the STCA will allow Ecology to clean up more recalcitrant or orphan contaminated sites, while maintaining core activities funded out of this account.

17. Enhance Voluntary Cleanups ~ \$270,000 from the State Toxics Control Account and 3 FTEs ~ By sheer number, most cleanups of toxic waste sites are accomplished through the Voluntary Cleanup Program.

Approximately 40% of Ecology's costs associated with voluntary cleanup of toxic waste sites are paid for by the entity initiating the cleanup, so by reprioritizing existing cleanup dollars, the agency will generate additional revenue that will be used to meet the increasing demand for this important cleanup work.

18. Safe Soil Remediation and Awareness Projects ~\$250,000 from the State Toxics Control Account and .8 FTE ~ House Bill 1605 directs the Department of Ecology, in cooperation with the Department of Health and the Department of Social and Health Services, to assist schools and child care facilities within child use prioritization areas to reduce the potential for children's exposure to area-wide soil contamination. Ecology will enter into interagency agreements with local health jurisdictions to administer activities to assist schools and child care facilities to address area-wide soil contamination.

Program Reductions

19. Reduce Local Flood Control Efforts ~ \$1 million reduction to Flood Control Assistance Account ~ Under current law, \$4 million dollars is transferred each biennium from the State General Fund to the Flood Control Assistance Account. The final budget transfers \$1 million back to the General Fund, thereby cutting the Flood Control Assistance Account program by 25%.

20. Middle Management Cut ~ \$2.47 million total reduction and 22.5 FTEs ~ Of the proposed statewide reduction in Washington Management Service employment, Ecology will cut 11 FTEs in FY 2006 and 34 FTEs in FY 2007 (a total reduction of 45.5 FTEs by June 2007).

Fund Shifts, Inflation, and Compensation Adjustments

Fund Shifts

21. Fund Shift to Sustain Activities for Water Acquisition and Conservation ~ Shift from depleted dedicated funds to \$949,000 from the Water Quality Account ~ The increased Water Quality Account appropriation is requested to support local watershed planning efforts and to set, achieve, and restore stream flows through water acquisition and conservation, while assuring adequate water supplies for people and farms. It replaces approximately the same amount as the 03-05 appropriations, which were from the State Drought Preparedness Account and the State/Local Revolving Account (Referendum 38), and were one-time fund sources that cannot sustain this important work in the 2005-07 biennium.

22. Community Right to Know Fund Shift ~ \$1.43 million from the Worker/Community Right to Know Account (WCRTKA) to the State Toxics Control Account (STCA) ~ Ecology will shift the funding of \$1.43 million in WCRTKA activities - hazardous waste community education, information and data management - from the WCRTKA to the STCA, ensuring these activities continue, and providing for sustainable appropriations from the WCRTKA in the future.

23. Continue Marine Sediment Monitoring ~ Shift from declining federal funds to \$397,000 from the State Toxics Control Account ~ Federal funding sources to maintain a network for monitoring marine sediments will be eliminated at the end of the 03-05 biennium. This data informs a wide range of environmental, public health, and local land-use decisions. Replacement funding from the State Toxics Control Account will allow Ecology to continue this effort.

24. Eliminate Inflation Adjustment ~ Reduction to all agency funds ~ Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in goods, services, and supplies.

25. Compensation, Pension, and Benefit Adjustments ~ Adjustments to all agency funds ~ This adjustment provides for increases for cost of living adjustments, salary survey implementation, classification revisions, and decreases for pension methodology changes.

Treasurer's Transfers

These items are not included in the Department of Ecology's Section of the Appropriations Act but are changes adopted by the Legislature that impact general fund and dedicated fund balances.

Transfers to the State General Fund ~ *Dedicated fund transfers total \$3 million: \$2 million from the Waste Reduction/Recycling/Litter Control Account, and \$1 million from the Flood Control Assistance Account* ~ To assist in addressing the projected \$1.6 billion shortfall in the State General Fund.

Reduced State General Fund Transfer to the Water Quality Account ~ *Reduced by \$38.9 million to \$.6 million* ~ Under State Law, State General Fund transfers to the Water Quality Account are required to ensure a minimum of \$90 million per biennium is available for water quality purposes. For the 2005-07 biennium, this requirement is suspended, reducing the transfer by \$38.9 million to \$.6 million. The reduced transfer, along with existing Water Quality Account revenue, State Toxics Control Account dollars, and state bonds provided in the Capital Budget, are intended to meet this commitment to water quality programs, rather than the General Fund.

Water Quality Account Transfer to the Water Pollution Control Revolving Account ~ *\$10.5 million* ~ In order to meet the projected state match requirements for federal capitalization grants provided for water quality projects. These projects are appropriated in the Capital Budget.



Department of Ecology

2005-07 Capital Budget

Ecology's capital budget is used to meet both local community needs and state environmental goals by investing in local infrastructure projects. The \$396 million final legislative budget for the 2005-07 biennium is almost entirely focused on funding local community infrastructure needs. Only a little more than \$.5 million of the total budget is for properly maintaining agency-owned facilities.

To address emerging needs, this budget uses \$8.2 million for drought relief, and \$2.76 million to address dissolved oxygen problems in Hood Canal.

Because the Water Quality Account has more demands on it than can be supported from the current fund balance, and Referendum 38 dollars are fully committed, this budget utilizes more bond support than in previous years. This additional bond support from the State Building Construction Account is used to maintain the agency's commitment to providing grants for water quality projects, implement local watershed plans, and invest in agricultural water supply and irrigation efficiencies.

Due to record high oil prices, more revenue is available from the Local Toxics Control Account than in a typical biennium, thereby making available \$3 million for stormwater grants; \$2 million for an expanded grant program to retrofit public sector diesel engines to reduce emissions; \$60 million to cleanup local toxics waste sites; and \$14.2 million in Coordinated Prevention Grants to help communities reduce, recycle, and manage wastes.

Funding is also provided for infrastructure projects that ensure adequate water supply; maintain water quality; and manage waste in our communities.

Water for Local Communities and Healthy Watersheds

Ensuring Adequate Water Supply

Local watershed plans are currently being developed that cover 45 of the state's 62 Water Resource Inventory Areas (WRIAs), many of which will be completed during the 2005-07 biennium. Plans completed to date and draft plans call for new and rehabilitated capital facilities, water conservation projects, and acquisition of water rights to meet needs identified in the plans. Long-term solutions to the state's water resources challenges must be developed specific to the needs and opportunities of each watershed and for specific water bodies.

Watershed Plan Implementation and Flow Achievement ~ \$12 million from the State Building Construction Account ~ Thirty-seven local watershed plans (covering 45 WRIAs) are being developed using state grant funds issued under Chapter 90.82 RCW (Watershed Planning). As these plans near completion, they are identifying many capital needs, including new projects; rehabilitation of existing water systems; water conservation; water storage; metering; and acquisition of existing water rights for instream flow and other future needs. This budget uses \$12 million to finance capital projects and water acquisition for implementing locally developed watershed plans. These projects and acquisitions will help watershed units meet future water needs, while achieving recommended instream flows.

Columbia River Initiative ~ *\$16 million from the State Building Construction Account* ~ Funding supports a new water resources management program that provides ongoing access to water in support of community, economic, and environmental goals in Eastern Washington. The elements include feasibility studies related to off-mainstem storage projects and changing operations at the Potholes Reservoir; grant funding for the purchase and installation of water measuring devices; and water acquisition. \$10 million of the appropriation may not be expended prior to enactment of state legislation that establishes policy requirements for a new water resources management program for the Columbia River mainstem.

Sunnyside Valley Irrigation District Water Conservation ~ *\$3.88 million from the State Building Construction Account* ~ This includes resources for the state share (17.5%) of the Yakima River Basin Water Enhancement Project managed by the United States Bureau of Reclamation for conservation improvements. These improvements are required by the Sunnyside Division Water Right Settlement Agreement in the Yakima Basin Water Rights Adjudication (State of Washington, Department of Ecology vs. James J. Acquavella, et al.).

Water Irrigation Efficiencies ~ *\$3.5 million from the State Building Construction Account* ~ This appropriation provides new grants to conservation districts to assist the agricultural community in implementing water conservation measures and irrigation efficiencies in fish critical basins. There are ten conservation districts in fish critical basins throughout the state participating in the Irrigation Efficiencies Program. Conservation districts receiving funds manage each grant to ensure that a portion of the water saved by the water conservation measure or irrigation efficiency will be placed as a purchase or lease into the Trust Water Program (TWP) to enhance instream flows.

Maintaining Water Quality

The Water Quality Program administers a grant program (Centennial Clean Water Program) and a loan program (Water Pollution Control Revolving Account) using one funding application cycle for both funding sources. Grants from the Centennial Program are often packaged with the loans available from the Water Pollution Control Revolving Account to assist small hardship communities, leverage available local dollars, and fund the highest priority/highest return-on-investment local water quality improvement projects.

Centennial Clean Water Program ~ *\$7.5 million from the Water Quality Account, 10.5 million from the State Toxics Control Account, and \$20 million from the State Building Construction Account* ~ This grant program finances the planning, implementation, design, acquisition, and construction of water pollution control facilities and activities. For the 05-07 biennium, the appropriation amounts identified below are proposed and include specific dollars focused on addressing Hood Canal water quality issues:

- \$10 million solely for the extended payment grant to Spokane and Spokane County to protect the Spokane-Rathdrum Prairie aquifer.
- \$5 million for small communities with demonstrated financial hardship needs to construct new or upgrade existing sewer facilities.
- \$1.46 million for Hood Canal water quality projects.
- \$.8 million for lake management and cleanup activities at Long Lake in Kitsap County ~ \$750,000 and Wapato Lake in Pierce County ~ \$50,000.
- \$20.74 million for competitive statewide water quality implementation and planning grants and loans (a prioritized project list detailing local government proposals is available).

Phase II Stormwater Grants ~ \$3 million from the Local Toxics Control Account ~ Grant funding supports local government efforts statewide to assist in developing Phase II Stormwater programs necessary to meet state and federal requirements. Of this amount, \$300,000 is provided to address stormwater related water quality issues in Hood Canal (see below).

Water Pollution Control Revolving Account ~ \$239.6 million from the Water Pollution Control Revolving Account ~ This program provides financial assistance in the form of low-interest loans to local governments for high priority water quality projects. Since its creation, Ecology has used this loan program to make more than \$751 million available to local governments for planning, design, acquisition, construction, and improvement of water pollution control facilities. These projects result in cleaner water for fish, human consumption, and recreational use. Additional capacity is requested this year in anticipation of early loan repayments. Up to \$1 million of this amount is provided to address water quality issues in Hood Canal (see below).

Hood Canal Funding to Address Water Quality Problems ~ From the fund sources noted above, a total of \$2.76 million in new funding is proposed to address Hood Canal water quality issues as follows:

- \$1 million grant to design wastewater treatment facilities to serve the Hoodsport and Skokomish Reservation areas.
- \$1 million loan for on-site septic system rehabilitation and replacement programs in Mason, Kitsap, and Jefferson counties.
- \$320,000 grant to Mason County to develop a septic system data-base and identify failing septic systems.
- \$300,000 grant to Mason County to prepare stormwater management plans for Belfair and Hoodsport.
- \$140,000 grant to Jefferson and Kitsap counties to survey septic systems.

Managing Waste in our Communities

Grants for Cleanup and Prevention

Local governments are responsible for implementing local solid waste and recycling programs, including the new programs identified under the “Beyond Waste” Plan. They also are frequently required to address contamination discovered at publicly owned facilities. In addition, the effectiveness of these programs requires an informed local citizenry. A total of \$77 million from the Local Toxics Control Account is budgeted for the following waste management and toxic cleanup programs.

Remedial Action Grants for Cleanup ~ \$60 million from the Local Toxics Control Account ~ The state contains hundreds of hazardous waste sites that threaten the state's water resources, including those used for public drinking water, and many of our municipal landfills that are currently or potentially hazardous waste sites and present serious threats to human health and the environment. The costs of eliminating these threats in many cases are beyond the financial means of local governments and ratepayers. Based on site cleanup criteria and decisions made by the Toxics Cleanup Program, grants are made to local governments to clean up publicly owned contaminated sites and related work.

Coordinated Prevention Grants ~ \$14.2 million from the Local Toxics Control Account ~ The Solid Waste and Financial Assistance Program provides grant funds (Coordinated Prevention Grants) to local

governments for maintaining solid-waste-handling infrastructure and programs; reducing and preventing waste wherever possible; and increasing recycling and recovery of materials that are now discarded. For the 05-07 biennium, Ecology and its local government waste management partners are initiating implementation of the new statewide “Beyond Waste” Plan. The new plan provides additional emphasis on waste and pollution prevention. Of the \$14.2 million, \$4 million is targeted for local projects that implement the “Beyond Waste” plan (referred to as “Never Waste” in the budget), especially green building, organics reuse, and household hazardous waste management.

Public Participation Grants for Informing Communities About Cleanup & Prevention ~ \$800,000 from the Local Toxics Control Account ~ Public Participation Grants provide funding to citizen groups and not-for-profit public interest organizations. This supports community awareness and understanding of the cleanup of contaminated sites, and pollution prevention. This makes it easier for citizens to be involved in cleanup of hazardous waste sites and carrying out the state's solid and hazardous waste management priorities.

Safe Soil Remediation and Awareness Projects ~\$2 million from the State Toxics Control Account ~ The Washington State Legislature directed Ecology to form and support a stakeholder Task Force to consider the special challenges posed by widespread low-level lead and arsenic contamination caused by historic smelting and agriculture practices within the state. This proposal begins to implement Task Force recommendations by establishing a State Toxics Control Account capital appropriation. This appropriation (consistent with House Bill 1605) will enable the agency to address the health risks to children posed by arsenic and lead by providing a stable, flexible funding source for soil investigations and cleanup. Funding would also be used to contract with state and local school organizations to develop, integrate, and institutionalize cleanup actions and awareness measures within their jurisdictions, consistent with Task Force recommendations.

Grants for Reducing Diesel Emissions

Public Sector Diesel Engine Emission Control Retrofit Projects ~ \$2 million from the Local Toxics Control Account ~ This provides grants to local communities to retrofit public sector diesel trucks, transit buses, marine vessels, and non-road equipment. This program will reduce diesel emissions from individual diesel engines by up to 90%, depending on the type of technology and fuel used.

Investing in Ecology Owned Facilities

To properly maintain and fully use agency owned facilities, capital improvement dollars are appropriated for the project below.

Minor Works ~ \$555,000 State Building Construction Account ~ Minor works improvements to preserve state-owned facilities in Lacey and Spokane are proposed. Needed investments include replacement of the chiller, roof, and parking lot at the Spokane office. The Lacey facility needs stairwell renovation and exterior concrete and roof sealing to address structural problems and prevent water damage.